



6 Important tips on investing

...towards your child's education

With each passing day, the world gets more competitive. Children growing up in Ghana are and will be competing with children growing up in other parts of the world. This means that there is a great need to provide your child with the best education so he or she can be competitive.

Just as it is with many other good things, quality education doesn't come cheap. In order to give your child access to the best education, you will need to invest both your time and resources to make it happen. Some Ghanaian parents and guardians struggle when it comes to paying for the educational expenses of their child. This is mainly because most parents do not have a financial plan for their child's education. The solution is quite simple: invest towards your child's education. To do that, you might want to take into consideration the following tips:

1. Start early. Most parents wait until their child starts schooling before they think about the need to set aside some money and invest towards their child's education. Others also wait until their child is a few months away from entering a tertiary institution before they start trying to pool finances to pay for tertiary education costs. As a parent, you will end up exerting pressure on your finances if you follow this path. The best strategy is to start early – start even before you have a child or as soon as your child is born. This gives you ample time to invest a reasonable amount consistently, and eventually accumulate enough money to take care of all his or her educational costs.

2. Have a clear focus. Before you start investing towards your child's education, you will have to decide which level of his or her education you are investing towards. It may be for pre-school, basic school, junior high school, senior high school or tertiary education. If you choose to start investing early, which is the ideal option, then you can focus on growing your money towards your child's basic and tertiary education. However, if your earnings cannot support investments towards both levels of your child's education, your best bet will be to invest towards his/her tertiary education, which is an investment over the long term.

3. Choose the right investment vehicle(s). There are a number of investment vehicles on the Ghanaian market. Some of these investment options have been created to help you provide quality education for your child, while others have been created to help you achieve other financial goals. In order to successfully grow your funds towards catering

education, you will need to do a proper assessment of all the investment options available to you. Without a thorough assessment, it will be unwise to make a choice on which vehicle is most suitable in achieving your end goal. If you have the ability to understand how the various investment options work, you can decide to do the assessment yourself. If not, your best option will be to contact a licensed investment advisor to assist you. In the end, your decision should help you effectively invest towards your child's education.

4.

Channel donations and cash gifts into an investment. There are times when you receive random cash gifts or donations from family and friends. On occasions such as naming ceremonies and birthday parties, some guests prefer to offer monetary gifts rather than to buy presents. In such moments, the best reward you could give to your child will be to direct these monetary gifts into an investment account set up towards funding their quality education. Remember that when it comes to growing your investment towards your child's education, every penny counts!

5.

Be consistent. One of the most important habits you should develop as an investor is to be consistent. To effectively invest towards your child's education, you will need to be very consistent – make a conscious effort to deposit money into your account on a regular basis. Frequent top-ups can be one sure way to help you grow your investment and realize attractive returns. No matter the amount, you just need to be consistent.

6.

Be interested in your investment. As an investor, you will need to constantly monitor your investment. It is not just enough to open an investment account towards your child's education. It is important for you to study the growth of that investment. This will inform you on whether your investment strategy is good enough to help you cover your child's educational needs when needed or whether you need to increase the amounts you deposit on a consistent basis.

These tips have the potential to impact your investment towards providing the type of education you really want for your child. Keep in mind that the best legacy you can leave for your child is the privileges of quality education in this increasingly competitive world.

What you can do to get started

Databank Educational Investment Fund (EdIFund) is a mutual fund created to help parents and guardians plan towards their child's education. It is a two-tiered fund, with Tier 1 focused on short-term educational needs (e.g., termly school fees) and Tier 2 on long-term educational needs (e.g., university fees). Sign up for EdIFund today to help you provide quality uninterrupted education for your child.

What you can do to get started

1. Visit a Databank office near you – you've got 16 locations to choose from (call 0302 610610 or send an email to info@databankgroup.com for more information)
2. Complete the Databank mutual fund application form
3. Start investing with as little as GHC 200
4. Top up monthly with GHC 20 or more

Invest wisely. Invest in EdIFund.